

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

April 18, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For April 06, 2006

(Commission File No. 1-31317)

Companhia de Saneamento Básico do Estado de São Paulo - SABESP
(Exact name of registrant as specified in its charter)

Basic Sanitation Company of the State of Sao Paulo - SABESP
(Translation of Registrant's name into English)

Rua Costa Carvalho, 300
São Paulo, S.P., 05429-900
Federative Republic of Brazil
(Address of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1) .

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7) .

Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under
the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicated below the file number assigned to the
registrant in connection with Rule 12g3-2(b):

**COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO
DE SÃO PAULO SABESP**
Corporate Taxpayers Identification (CNPJ) # 43.776.517/0001 - 80
A Publicly-Held Company

**NOTICE TO DEBENTURE HOLDERS OF THE FIRST TRANCHE
DEBENTURES OF THE FIFTHTH ISSUANCE**

Companhia de Saneamento Básico do Estado de São Paulo Sabesp hereby communicates to holders of outstanding first tranche debentures of its 5th Issuance that, pursuant to the resolution adopted by the Board of Directors at the Meeting held on March 23, 2006, and pursuant to item 6.2 of Clause VI of the Deed of the 5th Issuance of Unsecured Simple Debentures, Not Convertible into Shares, into Two Tranches for Public Distribution, of Companhia de Saneamento Básico do Estado de São Paulo - SABESP, as amended on April 29, 2002, May 13, 2002, January 26, 2004 and April 6, 2005 (the Debentures and the 5th Issuance), that it shall exercise the right to redeem in advance the whole balance of the outstanding first tranche debentures of the 5th Issuance (the Total Advance Redemption). This Total Advance Redemption shall be carried out on April 19, 2006 (the Redemption Date) by means of the payment of the balance of its Unit Face Value not amortized up to the effective redemption date, plus the following items to said date: (i) Compensation calculated on a pro rata temporis basis, as from the last Compensation maturity date, and (ii) a redemption premium equal to one percent (1.00%) on the balance of the unamortized Unit Face Value of debentures, plus the Compensation due at the Redemption Date. The Total Advance Redemption shall be paid according to the procedures adopted by the Clearing House for the Custody and Financial Settlement of Securities (CETIP) or by the Brazilian Clearing and Depository Corporation (CBLC); for holders of debentures not held in custody at CETIP or CBLC it shall be paid by means of Banco Itaú S.A. (Agent and Depository Bank).

The Debenture Holders Fiduciary Agent shall be Planner Corretora de Valores S.A.

This asset is registered with the National Debentures System (SND) under code SBSP15.

São Paulo, April 4, 2006

Rui de Britto Álvares Affonso
Chief Financial Officer and Investor Relations Officer

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city São Paulo, Brazil.

Date: April 06, 2006

Companhia de Saneamento Básico do Estado de São Paulo - SABESP

By: /S/ Rui de Britto Álvares Affonso

Name: Rui de Britto Álvares
Affonso
Title: Economic-Financial Officer
and Investor Relations Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
